

## **Credit and Collection Policy, ABD-8**

### **RISK:**

Failure to effectively communicate the payment terms and conditions to patients or their guarantors may lead to misunderstandings or disputes regarding their financial obligations, resulting in delayed or insufficient payments to Tahoe Forest Hospital District (TFHD).

### **PURPOSE:**

- A. Tahoe Forest Hospital District (hereinafter known as "TFHD") provides high quality care to patients when they are in need of healthcare services. All patients or their guarantor have a financial responsibility related to services received at TFHD and must make arrangements for payment to TFHD either before or after services are rendered. Such arrangements may include payment by an insurance plan, including coverage programs offered through the federal and state government. Payment arrangements may also be made directly with the patient, subject to the payment terms and conditions of TFHD.
- B. Emergency patients will always receive all medically necessary care within the scope resources available at TFHD, to assure that their medical condition is stabilized prior to consideration of any financial arrangements.
- C. The Credit and Collection Policy establishes the guidelines, policies and procedures for use by TFHD personnel in evaluating and determining patient payment arrangements. This policy is intended to establish fair and effective means for collection of patient accounts owed to TFHD. In addition, other TFHD policies such as the [Financial Assistance Policy](#) which contains provisions for full charity care and discount partial charity care will be considered by TFHD personnel when establishing payment arrangements for each specific patient or their guarantor.

### **SCOPE:**

- A. The Credit and Collection Policy will apply to all patients who receive services at TFHD. This policy defines the requirements and processes used by the TFHD when making payment arrangements with individual patients or their account guarantors. The Credit and Collection Policy also specifies the standards and practices used by TFHD for the collection of debts arising from the provision of services to patients at TFHD. The Credit and Collection Policy acknowledges that some patients may have special payment arrangements as defined by an insurance contract to which TFHD is a party, or in accordance with hospital conditions of participation in state and federal programs. TFHD endeavors to treat every patient or their guarantor with fair consideration and respect when making payment arrangements.
- B. All requests for payment arrangements from patients, patient families, patient financial guarantors, physicians, hospital staff, or others shall be addressed in accordance with this policy.

### **POLICY:**

All patients who receive care at TFHD must make arrangements for payment of any or all amounts owed for services rendered in good faith by TFHD. TFHD reserves the right and retains sole authority for establishing the terms and conditions of payment by individual patients and/or their guarantor, subject to requirements established under state and federal law or regulation.

### **GENERAL PRACTICES:**

- A. TFHD and the patient share responsibility for timely and accurate resolution of all patient accounts. Patient cooperation and communication is essential to this process. TFHD will make reasonable, cost-effective efforts to assist patients with fulfillment of their financial responsibility.
- B. Health care at TFHD is available to all those who may be in need of necessary services. To facilitate financial arrangements for persons who may be of low or moderate income, both those who are uninsured or underinsured, TFHD provides the following special assistance to patients as part of the routine billing process:
  1. For uninsured patients, a written statement of charges for services rendered by TFHD is provided in a revenue code summary format which shows the patient a synopsis of all charges by the department in which the charges arose. Upon patient request, a complete itemized statement of charges will be provided;
  2. Patients who have third party insurance will be provided a revenue code summary statement which identifies the charges related to services provided by TFHD. Insured patients will receive a balance due from patient statement once TFHD has received payment from the insurance payer. Upon patient request, a complete itemized statement of charges will be provided;
  3. A written request that the patient inform TFHD if the patient has any health insurance coverage, Medicare, Medi-Cal or other form of coverage;
  4. A written statement informing the patient or guarantor that they may be eligible for Medicare, Medi-Cal, the TFHD Financial Assistance Program, or appropriate government coverage programs;
  5. A written statement indicating how the patient may obtain an application for the Medi-Cal, or other appropriate government coverage program;
  6. If a patient is uninsured, an application to Medi-Cal, or other appropriate government assistance program will be provided prior to discharge from the hospital;
  7. A TFHD representative is available at no cost to the patient to assist with application to relevant government assistance programs;
  8. A written statement regarding eligibility criteria and qualification procedures for full charity care and/or discount partial charity care under the TFHD Financial Assistance Program. This statement shall include the name and telephone number

of TFHD personnel who can assist the patient or guarantor with information about and an application for the TFHD Financial Assistance Program.

- C. The TFHD Patient Financial Service Representatives and designees are primarily responsible for the timely and accurate collection of all patient accounts. Patient Financial Services works cooperatively with other TFHD departments, members of the Medical Staff, patients, insurance companies, collection agencies and others to assure that timely and accurate processing of patient accounts can occur.
- D. Accurate information provides the basis for TFHD to correctly bill patients or their insurer. Patient billing information should be obtained in advance of services whenever possible so that verification, prior authorization or other approvals may be completed prior to the provision of services. When information cannot be obtained prior to the time of service, TFHD personnel will work with each patient or their guarantor to assure that all necessary billing information is received by TFHD prior to the completion of services.

### **PROCEDURE:**

- A. Each patient account will be assigned to an appropriate Patient Financial Services representative or designee based upon the type of account payer and current individual staff workloads. Patient Financial Services leadership will periodically review staff workloads and may change or adjust the process or specific assignment of patient accounts to assure timely, accurate and cost-effective collection of such accounts.
- B. Once a patient account is assigned to a Patient Financial Services representative or designee, the account details will be reviewed to assure accuracy and completeness of information necessary for the account to be billed.
- C. If the account is payable by the patient's insurer, the initial bill will be forwarded directly to the designated insurer. TFHD Patient Financial Services personnel will work with the patient's insurer to obtain any or all amounts owed on the account by the insurer. This will include calculation of contracted rates or other special arrangements that may apply. Once payment by the insurer has been determined by TFHD, any residual patient liability balance, for example a patient co-payment or deductible amount, will be billed directly to the patient. Any or all patient balances are due and payable within 30 days from the date of this first patient billing. Patients may dispute balances or charges within 180 days of the balances becoming patient responsibility.
- D. In compliance with the No Surprises Act, TFHD does not balance bill patients whose insurance claims processed as Out of Network without first providing notice and obtaining consent from the patient or guarantor.
- E. If the account is payable only by the patient, it will be classified as a self-pay account. Self-pay accounts may potentially qualify for government coverage programs or financial aid under the TFHD Financial Assistance Policy. Patients with accounts in self-pay status may work with Financial Counseling to make payment arrangements or be screened for assistance programs.

- F. In the event that a patient or patient's guarantor has made a deposit payment, or other partial payment for services and subsequently is determined to qualify for full Financial Assistance or discount partial Financial Assistance, all amounts paid which exceed the payment obligation, if any, as determined through the Financial Assistance Program process, shall be refunded to the patient with interest at the statutory rate pursuant to Health and Safety Code section 127440, provided that hospitals are not required to refund a credit balance that is, together with interest, less than five dollars (\$5). Any overpayment due to the patient under this obligation may not be applied to other open balance accounts or debt owed to TFHD by the patient or family representative. Any or all amounts owed shall be reimbursed to the patient or family representative within 30 days.
- G. TFHD offers patients payment plan options when they are not able to settle the account in one lump sum payment. Payment plans are established on a case-by-case basis through consideration of the total amount owed by the patient to TFHD and the patient's or patient family representative's financial circumstances. Payment plans generally require a minimum monthly payment of an amount such that the term of the payment plan shall not exceed ninety (90) days or three (3) months. This minimum monthly payment amount shall be determined by dividing the total outstanding patient liability balance by three (3). Payment plans are free of any interest charges or set-up fees. Some situations, such as patients qualified for partial financial assistance, may necessitate special payment plan arrangements based on negotiation between TFHD and patient or their representative. Such payment plans may be arranged by contacting Financial Counseling. Once a payment plan has been approved, any failure to pay in accordance with the plan terms will constitute a plan default. It is the patient or guarantor's responsibility to contact Financial Counseling if circumstances change and payment plan terms cannot be met. In addition, TFHD works with an outside vendor if patients need payment plan terms that exceed three (3) months. Payment plan terms are subject to vendor requirements.
- H. Patient account balances in self-pay status will be considered past due after 30 days from the balance becoming patient responsibility. Accounts are considered self-pay when there is no insurance or other coverage to bill or residual balances remaining after insurance has processed due to unmet insurance benefits (deductible, coinsurance, etc.). Accounts may be advanced to collection status according to the following schedule:
1. Self-pay accounts, including those where there has been no payment within the past 180 days, may be forwarded to collection status when patients or guarantors have:
    - a. Received all required statements and have been notified the account will advance to collections without further action from the patient
    - b. Been provided with a financial assistance application
    - c. Been deemed ineligible for financial assistance
    - d. Not responded to any offers of financial assistance

- I. Patient accounts will not be forwarded to collection status when the patient or guarantor makes reasonable efforts to communicate with TFHD and makes good faith efforts to resolve the outstanding account. Financial Counseling will determine if the patient or guarantor are continuing to make good faith efforts to resolve the patient account and may use indicators such as: application for Medi-Cal or other government programs; application for the TFHD Financial Assistance Program; negotiation of a payment plan with TFHD and other such indicators that demonstrate the patient's effort to fulfill their payment obligation.
- J. After 30 days or anytime when an account otherwise becomes past due and subject to internal or external collection, TFHD will provide every patient with written notice in the following form:
  - 1. "State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at [www.ftc.gov](http://www.ftc.gov)."
  - 2. Non-profit credit counseling services may be available in the area. Please contact the TFHD Financial Counseling if you need more information or assistance in contacting a credit counseling service.
- K. For all patient accounts where there is no 3rd party insurer and/or whenever a patient provides information that he or she may have high medical costs, Financial Counseling will assure that the patient has been provided all elements of information as listed above.
- L. For all patient accounts where there is no 3rd party insurer and/or whenever a patient provides information that he or she may have high medical costs, TFHD will not commence any civil action prior to 180 days after initial billing of the account. Furthermore, TFHD will not send an unpaid bill for such patients to an external collection agency unless the collection agency has agreed to comply with this requirement.
- M. If a patient or guarantor has filed an appeal for coverage of services in accordance with Health & Safety Code Section 127426, TFHD will extend the 180-day limit to not commence any civil action until a final determination of the pending appeal has been made.
- N. TFHD will only utilize external collection agencies with which it has established written contractual agreements. Every collection agency performing services on behalf of TFHD must agree to comply with the terms and conditions of such contracts as specified by TFHD. All collection agencies contracted to provide services for or on behalf of TFHD shall agree to comply with the standards and practices defined in the collection agency

agreement; including this Credit and Collection Policy, the TFHD Financial Assistance Policy and all legal requirements including those specified in Health & Safety Code Section 127420 et seq.

- O. TFHD and/or its external collection agencies will not use wage garnishments without an order of the court. Any or all legal action to collect an outstanding patient account by TFHD and/or its collection agencies must be authorized and approved in advance, in writing by TFHD. Any such legal action must conform to the requirements of Health & Safety Code Section 127420 et seq.
- P. TFHD and Collection Agencies will not furnish any information related to medical debt to consumer reporting agencies or that debt is void and unenforceable.

**References:**

[California Health and Safety Code §§127400 - 127446](#)

[Review of Accounts for Bad Debt, DPTREG-1907](#)

[Payment Plans, DPTREG-1908](#)

[Financial Assistance Program Full Charity Care and Discount Partial Charity Care Policies ABD-09](#)

Approver Date:

Anna Roth: President & CEO

08/2025

Sarah Jackson: Executive Assistant, Clerk of the Board

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